



General Assembly

February Session, 2016

Raised Bill No. 369

LCO No. 2492

* _____SB00369INS__031716_____*

Referred to Committee on INSURANCE AND REAL
ESTATE

Introduced by:
(INS)

***AN ACT REGULATING THE OFFER AND DISSEMINATION OF
TRAVEL INSURANCE.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2016*) (a) As used in this
2 section:

3 (1) "Travel insurance" means insurance, provided under an
4 individual or a group or master insurance policy, for the following
5 personal risks incident to planned travel: (A) Interruption or
6 cancellation of a trip or an event; (B) loss of baggage or personal
7 effects; (C) damage to accommodations or rental vehicles; or (D)
8 sickness, accident, disability or death occurring during travel;

9 (2) "Limited lines travel insurance producer" means a person, as
10 defined in section 38a-1 of the general statutes, that is (A) (i) a
11 managing general underwriter, (ii) a managing general agent or
12 similar administrator, or (iii) an insurance producer, including a
13 limited lines producer, licensed or authorized to do business in this
14 state; and (B) authorized in accordance with subsection (b) of this

15 section to sell, solicit or negotiate travel insurance to residents of this
16 state;

17 (3) "Offer and disseminate" means the provision of general
18 information about travel insurance, including a description of the
19 coverage and price of a travel insurance policy; the processing of an
20 application for a travel insurance policy; the collection of a premium
21 for a travel insurance policy; or the performance of other activities not
22 requiring a license and permitted by the state concerning a travel
23 insurance policy;

24 (4) "Travel retailer" means a business entity that makes, arranges or
25 offers travel services; and

26 (5) "Designated travel retailer" means a travel retailer designated by
27 a limited lines travel insurance producer to offer and disseminate
28 travel insurance to residents of this state on such producer's behalf.

29 (b) (1) (A) Any person seeking authorization as a limited lines travel
30 insurance producer may apply to the Insurance Department, on such
31 form and in such manner as prescribed by the Insurance
32 Commissioner, for authorization as a limited lines travel insurance
33 producer to sell, solicit or negotiate travel insurance through an
34 insurance company licensed or authorized to do business in this state,
35 provided (i) such person and insurance company has paid all
36 applicable licensing fees required under state law, and (ii) the
37 employee designated pursuant to subparagraph (A) of subdivision (3)
38 of this subsection and the president, secretary, treasurer and any other
39 officer or person who directs or controls the insurance operations of
40 the person seeking such authorization has complied with any
41 fingerprinting requirements applicable to insurance producers in the
42 resident state of the person seeking such authorization.

43 (B) The commissioner may approve or disapprove such application.
44 Any such authorization shall be in force until the commissioner
45 suspends or revokes such authorization or the commissioner suspends,

46 revokes or refuses to renew the person's or insurance company's
47 license or authorization to do business in this state.

48 (2) Each limited lines travel insurance producer shall, at the time
49 such application is approved by the commissioner, establish and
50 maintain a registry, on a form prescribed by the commissioner, of its
51 designated travel retailer or retailers. Such producer shall update the
52 registry annually and shall include (A) the name, address and contact
53 information of each designated travel retailer, (B) the name, address
54 and contact information of an officer or individual who directs or
55 controls each designated travel retailer's operations, (C) the federal tax
56 identification number of each designated travel retailer, and (D) a
57 certification by such producer that the designated travel retailer has
58 not engaged in conduct prohibited under 18 USC 1033, as amended
59 from time to time. Upon request by the commissioner, a limited lines
60 travel insurance producer shall make such registry available during
61 the regular business hours of such limited lines travel insurance
62 producer to the commissioner or the commissioner's designee for
63 inspection and examination.

64 (3) (A) Each limited lines travel insurance producer shall designate
65 an employee, who is an insurance producer licensed in this state, as the
66 individual responsible for the limited lines travel insurance producer's
67 compliance with the provisions of this section, including supervision
68 of its designated travel retailers.

69 (B) A limited lines travel insurance producer shall be responsible for
70 the acts of its designated travel retailer and shall use reasonable means
71 to ensure its designated travel retailer's compliance with this section.

72 (4) Each limited lines travel insurance producer shall require each
73 employee and authorized representative of its designated travel
74 retailer to receive instruction or training on the offer and dissemination
75 of travel insurance. Such instruction or training may be subject to
76 review by the commissioner and shall include, at a minimum,
77 information about the types of travel insurance offered through the

78 travel retailer, ethical sales practices and required disclosures to
79 prospective customers.

80 (5) Each limited lines travel insurance producer or designated travel
81 retailer shall provide to purchasers of a travel insurance policy (A) a
82 description of or a copy of the material terms of such policy, (B) a
83 description of the process for filing a claim under such policy, (C) a
84 description of the process for the review or cancellation of such policy,
85 and (D) the identity of and contact information for the insurance
86 company issuing such policy and the limited lines travel insurance
87 producer.

88 (c) (1) A travel retailer that does not employ a licensed insurance
89 producer or is not licensed or authorized to transact the business of
90 insurance in this state may offer and disseminate travel insurance to
91 residents of this state, provided (A) it is a designated travel retailer,
92 and (B) its travel insurance-related activities are limited to those
93 authorized under this section.

94 (2) A travel retailer shall make available to prospective customers
95 brochures or other written materials that (A) provide the identity of
96 and contact information for the insurance company issuing the travel
97 insurance policy and the limited lines travel insurance producer, (B)
98 explain that the purchase of travel insurance is not required to
99 purchase any other product or service from the travel retailer, and (C)
100 explain that such travel retailer is permitted to provide general
101 information about the travel insurance offered through the travel
102 retailer, including a description of the coverage and price, but is not
103 qualified or authorized to answer questions about the terms and
104 conditions of such insurance or evaluate the adequacy of the
105 prospective customer's existing insurance coverage.

106 (3) A designated travel retailer may receive compensation from a
107 limited lines travel insurance producer or the insurance company
108 issuing a travel insurance policy, for services related to the offer and
109 dissemination of travel insurance, as agreed to by such designated

110 travel retailer and such limited lines travel insurance producer or
111 insurance company.

112 (4) No employee or authorized representative of a travel retailer
113 shall be required to be licensed as an insurance producer, provided no
114 such employee or authorized representative (A) evaluates or interprets
115 the terms, benefits or conditions of travel insurance offered by the
116 travel retailer, (B) evaluates or provides advice regarding a prospective
117 customer's existing insurance coverage, or (C) holds himself or herself
118 out as a licensed insurance producer or an insurance expert.

119 (d) (1) A violation of this section by a limited lines travel insurance
120 producer shall be deemed an unfair or deceptive insurance practice
121 under section 38a-816 of the general statutes.

122 (2) A violation of this section by a travel retailer shall be deemed an
123 unfair or deceptive trade practice under subsection (a) of section 42-
124 110b of the general statutes.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | October 1, 2016 | New section |

INS *Joint Favorable*